GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:2125
ANSWERED ON:02.12.2002
SURVIVAL PACKAGE OF IISCO
PRIYA RANJAN DASMUNSI

Will the Minister of STEEL be pleased to state:

(a) the latest progress of survival of Indian Iron and Steel Company (IISCO) as had been assured by the Government to Public Representative of West Bengal;

(b) the special features of this package; and

(c) by when it is likely to be completed?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(c): As directed by Board for Industrial and Financial Reconstruction (BIFR) Steel Authority of India Ltd. (SAIL) has submitted a rehabilitation proposal, based on the Government`s approval to the Industrial Development Bank of India (IDBI), the Operating Agency for IISCO. The scheme is currently under examination by the IDBI.

(b) Government has approved a revival package for Indian Iron & Steel Co. (IISCO) which inter alia includes grants for financing a Voluntary Retirement Scheme (VRS) in Kulti Works, which is to be closed down. In addition, provision of Govt. guarantees to raise money for financing VRS in Burnpur Works, mines & collieries, as well as for capital expenditure in these units, has been made. This is, however, subject to the Government of West Bengal conveying its approval to provide waiver of past dues and also exemption from payment of sales tax (without any monetary ceiling), electricity duty, royalty & cess and municipal tax for the next five years.